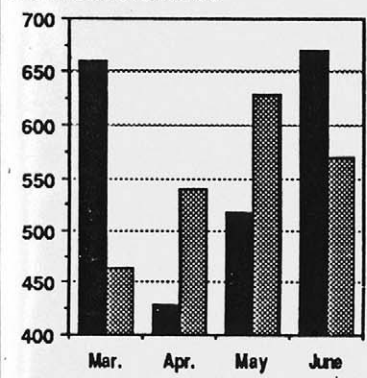
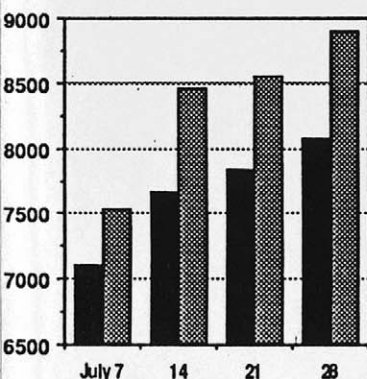


Residential construction



The number of residential electric meters connected by CG&E, shown as black bars for recent months and gray bars for a year ago, reflect construction in Greater Cincinnati plus limited adjacent areas.)

Job growth



The number of help-wanted ads in Cincinnati daily newspapers, shown as solid bars for recent weeks and gray for a year ago, reflect job growth in the local economy.

Vehicle sales

1650

Watch your customers, not competitors

BY DREW McLANDRICH

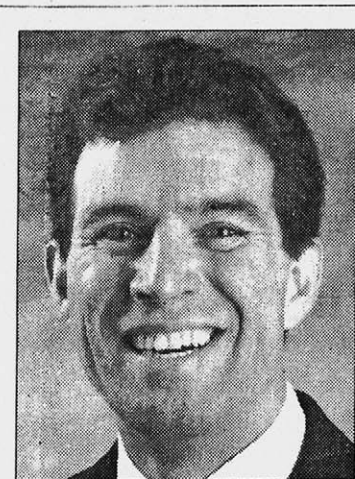
It's often the case that businesses unnecessarily spend time, money and effort battling competitors, when there is no need to compete head-on. These battles frequently have all the earmarks of legitimacy. Competing companies are being predatory, taking sales and growing market share through price discounting, rebates, or any number of marketing tactics; including the introduction of new products.

A direct response seems mandatory. And, perhaps it is. Pricing may have become too high, in a softening marketplace. Buyers do like rebates; and new products can often attract new customers — possibly your customers. In these instances, the desired response to a competitor's thrust is one that will attract and please paying customers, not simply battle the predatory competitor. Responses to predatory actions of competitors should be only a catalyst and not become an objective. As we know, battles mean the use of resources; often scarce resources.

Therefore, instead of working against a predatory competitor — fighting a rebate with a rebate, or a price decrease with same — it is much better and much less expensive to work with your customers and prospects. One way this is best done is to define new features and benefits your customers and prospects need and want from your products or services. A second avenue is to further refine existing features and benefits. New, powerful marketing advantages are most often fashioned from insight, and brought to bear through strategic planning and exacting execution.

When fashioning a competitive response, don't worry as much about what the competition is up to

A SEPARATE VOICE



Drew McLandrich
Principal
Selling Services

as to find out what the customer is up-for. This process will provide additional reasons for customers to do business with you. The most influential features and benefits are those that are singularly yours and, most importantly, provide significant benefits to the customer. The secret to avoiding costly head-on battles with competitors is to find new and valuable ways to present and provide necessary, time-worn features; and to newly embellish common, yet mandatory benefits.

This is done through an insight view of the customer. Spend time with and learn from your customers. Gaining the greatest possible benefits from visits to the customer requires keeping several ideas in mind. By all means, be very open-minded. Try to discard all

preconceptions, and defensive reactions. Seek out negative situations; these are actually the central purpose of your inquiries. Certainly, one wants to hear good news, but even good news must be critically analyzed, with an eye toward specific worthwhile improvements, and the creation of marketing advantages. Inquiries of customers and prospects should be regular and continuous, and are most effective when conducted before battle lines are drawn.

What is needed to develop valuable, actionable insights leading to the institution of new or the refinement of existing features and benefits is the investigation of new specific instances of the customer interacting with your company's products, services and personnel.

However, for company managers to simply visit the customer and ask, "How are things going?" is to gain only the most general information. Answers such as "fine" are not acceptable. This type of response requires probing, so as not to be so qualitative as to offer no insightful information. One will quickly realize that superficial information, or purely quantitative as to offer no insightful information.

In most every business relationship, including retail and service transactions, the product is not simply the thing-in-the-box or the cleaned-carpet. The product is: telephone calls made and received; letters; packing slips; packaging; invoices; credit memos; the service technician's greeting. Each of these is a part of what you are providing, and for which the customer is paying. Each area, of interaction with the customer, requires in-depth probing during your visits to, and conversations with customers.

The idea is to arrange the business so that each and every detail enhances the customer's interaction with the product and the company. These details hold customers, and these details are what one is looking to discover when learning from customers.

When touring a customer one should be certain to visit, and learn from every department. Do the employees in the customer's receiving department understand your packing slips? Often times one's own employees don't. Are the boxes you ship too heavy for one person to easily lift and carry? By opening your shipment with the customer, you will quickly discover what it is like to receive one of your shipments.

How easily can your customer's accounting department match your credit memo to the proper invoice? Would service available on Sunday afternoons be of greater value to your customers than being open later on weekdays? Would customers pay a premium for service on Sundays and holidays? Is your product more usable in a smaller or larger sizes? Most likely, your customers and prospects have the answers to each of these and other significant questions.

The more one knows about these details the more tightly fitted and fitting the strategies a company can employ to get and retain customers — even in the face of predatory competitive actions. It is the constant attention to these details that allow a company to avoid battling competitors, and to compete on the only winning terms — the customers'.

Drew McLandrich is the principal in Selling Services, a marketing, sales and customer service consulting firm.